

Executive Committee Meeting Minutes – Monday, February 14, 2005

Chairman Dwyer called the meeting to order at 8:30 a.m. and led the committee in the Pledge of Allegiance.

Present: Chairman James Dwyer, County Board Supervisors Patricia Haukohl, Walter Kolb, Richard Manke, William Mitchell, Duane Stamsta. **Absent:** Supervisor Duane Paulson.

Staff Present: Chief of Staff Lee Esler, Legislative Policy Advisor Mark Mader, Legislative Policy Advisor Dave Krahm, Office Services Coordinator Windy Jicha.

Also Present: Internal Audit Manager Lori Schubert, Supervisor Rodell Singert, Principal Internal Auditor Jackie Siewert, Treasurer Pam Reeves, Community Development Coordinator Glen Lewinski, Long Term Care Division Manager Jack Bodien, Deputy Director of HHS Don Maurer, Administrative Services Manager Russ Kutz, Senior Financial Analyst Clara Daniels, Senior Financial Analyst Andy Thelke, Director of HHS Peter Schuler.

Correspondence

Chairman Dwyer reviewed and distributed the lists of correspondence. He said Supervisors should request copies of the listed items from Jicha.

Approve Minutes of 1/31/05

MOTION: Stamsta moved, Kolb second, to approve the minutes of January 31, 2005 as amended. Motion carried: 6-0.

Discuss and Consider Recommendations on Delinquent Property Parcels

WAKT 1370.995 - Reeves said this property was supposed to be in the December auction until SEWRPC voiced some concerns. SEWRPC found that the buildable area of this property is very small and indicated that the property is not worth the listed \$18K value. A neighbor indicated he would be willing to buy the property for \$3K. The Delinquent Property Committee recommended a value of \$3K for this property. Reeves said she will have a special auction this spring to sell the two properties being discussed today.

MOTION: Haukohl moved, Mitchell second, to change the value of WAKT 1370.995 from \$18K to \$3K per the recommendations of the Delinquent Property Committee. Motion carried: 6-0.

MNFV 0038.994 - Reeves said this property features an office building and is located on Appleton Avenue in Menomonee Falls. She distributed hard copies of the appraisal to the committee showing the property valued at \$195K. This property was not bid on at the auction. A neighbor is very interested in it but felt the price was too high for the amount of work needed to fix and update the building. The neighbor is willing to pay \$150K for the property. Since taking possession of the building, the county has had to replace two water heaters at a cost of \$2,800. The Delinquent Property Committee recommended a value of \$150K.

Dwyer said there is little parking at the location. The building isn't in terrible shape but it needs refurbishing both inside and out. Reeves agreed that the inside needs lots of updating.

Dwyer said there are a lot of vacant business rentals in this area. It would be good to sell the property to an interested party now. Reeves said she thinks the appraiser "mis-called" this value of the building compared to other business office spaces in the area with better parking and features. It will be a challenge to rent out the facility.

Mitchell asked how many rental units are there? Reeves said there is an office and craft shop downstairs and the upstairs could be divided into two businesses. The current renters pay \$150 per month. The previous owners haven't done any improvements to the building for quite some time.

MOTION: Haukohl moved, Stamsta second, to change the value of MNFV 0038.994 from \$195K to \$150K per the recommendations of the Delinquent Property Committee. Motion carried: 6-0.

Future Agenda Items

- Northview and the County Land Use Plan

Update on WCA's Legislative Conference

Dwyer said Haukohl, Manke and he attended the conference. Keith Langenhahn gave the Presidential presentation in place of Joe Maehl who was injured and unable to attend. Joe Krahn from Waterman and Associates gave an update on budget initiatives in Washington. One major potential initiative is the combining and cutting in block grants. Secretary Morgan, from the Department of Revenue, gave remarks from the Doyle Administration. There was a good discussion on TABOR from the business perspective. There was an interesting discussion on what is going on with property taxes. Craig Thompson gave updates on publishing bills on the Internet and a variety of bills including AB35, 36, 58, 60, 71, 79, and SB 3, SB 5.

Dwyer said they visited our legislators and then briefly attended a reception before returning to Waukesha County for the County Board meeting.

Dwyer said Terry Ludeman, Economic Advisor from the Department of Workforce Development, gave an excellent slide presentation. George Lightburn gave a presentation on Milwaukee County's failure to be the thriving county it could be. Lightburn talked about such issues as workforce availability, failures in the schools, school truancy, etc.

Manke said they visited with Mary Lazich and talked about the educational center and budgets.

Haukohl said the panel discussion with Schultz and Hipsch was interesting. Peg Lautenschlager spoke about the importance of open meetings and Haukohl asked why doesn't the state follow the opening meetings laws? Mark O'Connell gave a presentation on social security.

Discuss Ordinance 159-O-118: Transfer Carryover Funds from 2004 Unexpended Appropriations to 2005 Budgeted Appropriations

Lewinski said the committee received a list of projects funded by CDBG. Some of these projects may be underway or will be completed shortly. He generally allows 18 months for a project to be completed. The projects on the first page of the handout are from 2004 and don't concern him. He has concerns about the projects listed on pages two and three of the handout. Projects related to Retzer Nature Center are delayed. The City of Waukesha has a number of carryovers but this is due to budget and timing issues. The CDBG Board meets in June and July to determine how to allocate funds. The group releases a list of allocations and estimated amounts in September/October that are based on "best guesses." The county is notified at a later date the actual amount they will receive.

Lewinski said at the January CDBG Board meeting, the group set a policy stating that groups need to spend their allocated monies from 2003 and earlier or they will lose the funds unless they are able to show they are making forward progress. After several questions from committee members, Lewinski indicated there were a few errors on the list of CDBG projects the committee received. He said he would get a corrected copy to the Finance Committee for the February 16, 2005 presentation of the ordinance.

Dwyer asked why do we keep giving more grant money to groups that haven't spent the previous grant money given to them? Why do we carryover grant monies from several years back instead of closing it out? Lewinski said we are partners with these groups and we don't want to cut them off. We sent these groups a letter indicating that they have until May 31 to use grant money from 2003 and earlier or they'd lose it. The CDBG Board voted in January on the May 31 deadline. Most of the groups have valid reasons why they haven't used the money yet. Due to staff turnover, some communities aren't aware they have money available through the program.

Esler said CDBG can't encumber monies. Lewinski said there are times when he knows a project is underway but the group has not yet submitted receipts for reimbursement. Some of the reasons why money isn't spent are understandable while others aren't. Sometimes a project cannot move forward because it is out to bid. The City of Waukesha doesn't start projects until they have all the money so they save several years of grant monies in order to begin a project. It takes a lot of work to keep up with the paperwork on these grants.

Mitchell asked do these groups know they have money left in their accounts? Do you notify them of their balances? Lewinski said he sends letters alerting them of the balances. We write specific contracts and there are times when the bids come back lower than anticipated. When this happens, some groups ask if they can use the leftover money for additional items.

Dwyer asked what happens to money leftover in accounts? Lewinski said it goes back into the big pot of money and then the CDBG Board reprograms it during the allocation process. Letters are sent to groups when money is taken away. Lewinski said sometimes municipalities are in negotiations with other communities and can't move forward until it is done. This is the lowest amount of money we have carried over in the past ten years.

Lewinski said the Village of Pewaukee came to the CDBG Board and asked for a change in the project to include curb ramps. The CDBG Board's philosophy is that it needs municipalities to participate to get money.

Haukohl asked about the totals on page three of the handout. Daniels looked at page three and commented there are some numbers on this page that need to be fixed. She will work with CDBG staff to correct them and bring the corrected handout to the Finance Committee meeting on February 16.

Mitchell said he recommends that when the grants go out, the county alert organizations that if their balance is less than a certain amount, such as \$150, and the group does not notify the county of their plans to use the balance, the money will be written off. It isn't good use of staff time to carryover \$.40. Lewinski said we provide this information when we take money away. We have to account for every penny for audit purposes.

Esler asked if the 1998 Disaster Grant funds for Elm Grove and Butler have been resolved? Lewinski said an ordinance was approved in November for the last installment of this grant but we haven't received the money yet.

Supervisor Stamsta left at 10 a.m.

Discuss and Consider the DHHS Long Term Care Division Audit

Schubert said the scope of this audit was to review the adequacy and efficiency of case management efforts and services provided to participants by contractors of the Long Term Care Division, and provide comparisons of services between Waukesha County and other counties.

Schubert said the Long Term Care Division consists of three programs: Adult Protective Services Unit, Developmentally Disabled Unit and Community Integration/Options Services Unit. Schubert reviewed these programs as outlined in the report. All services are provided on a voluntary basis unless mandated by a protective placement order via Chapter 55 of the State Statutes. The services are designed to allow persons with developmental and physical disabilities and frail elderly to safely remain in the community rather than entering a nursing home or intermediate care facility. The Long Term Care Division comprises 10% of the DHHS levy amount and 44% of the total expenditures. Program funding consists of a combination of state, federal and local funds from a variety of sources.

Schubert said there are concerns with a state wording change for the Adult Protective Services program. The criterion for placement changed January 1, 2005 to placement in the 'most integrated' setting possible. This is defined as "a setting that enables individuals to interact with persons without developmental disabilities to the fullest extent possible." This could make it more difficult to place individuals in institutions in the future. The ultimate effect of this change will not be known until the Division begins completing the annual WATTS reviews for its clients. Esler asked how the new definition differs from how we do business now? Bodien said this will change how Division handles protective placements. We will have to provide a case plan for community living. Maurer said we will have to pay for the setting decided upon by a judge.

Maurer said the current governor's budget proposes to reduce nursing home placements by 25% over the next ten years. Even if there's enough money to cover the people presently in homes, there won't be enough money due to inflationary increases. We expect this to continue.

Esler asked will this be addressed with the legislators through our associations? Schuler said they moved on this when it was discovered. The alternative is to have community-based programs with more exposure to community activities. This will cost money but maybe not as much as the smaller one or two person placements. He thinks there's a reasonable danger in having too many people in smaller placements because in emergency situations, it is impossible for the county support them. We're ultimately responsible for these placements. If our placements are spread out, it is hard to follow them. They also have fewer staff to care for these individuals.

Schubert said the state also implemented an "ICF-MR Restructuring" program effective January 1, 2005. This program will transfer the monitoring and fiscal responsibility for all persons in ICF-MR's from the state to the county. Bodien said if the county places somebody in an institution, the county will pay 100% of the placement with tax levy. The county will not be able to pay for institutions with a waiver. The restructuring of the program could result in a funding shortfall of more than \$226,000 in Waukesha County. Maurer said counties didn't have a choice with this restructuring and discovered the change too late to respond. Schuler said this came out of DHFS, which is troubling. They will continue with this philosophy regardless of funding. It isn't fair that DHFS changes their philosophies but not the rules for funding them.

Maurer said the state talks about structural deficits. We have problems with programs that are under-funded. That is our baseline. Milwaukee is in the same shape but the Bureau of Child Welfare is carved from the state system so they are protected. Schuler said they received \$80 million more than other counties. It bothers him there hasn't been an effective committee or group that says stop the mandates. We can make a list every six months of all the mandates and they keep always coming.

Schubert said in 2004 the state provided additional funding to serve persons who were on waiting lists. The 2005 budget includes \$3.6 million of revenues and expenditures for the ICF-MR restructuring initiative. State funding for Community Integrations/Options Services does not include adjustments for inflation or increases

in the cost of care for persons moved from nursing homes. It is difficult to find Title 19 beds in nursing homes in Waukesha County. In the budget, not all the costs are allocated back to the program.

Schubert next reviewed Case Management Services as found on pages 11 through 15 of the audit. Case managers work with clients and their families to determine which services are to be provided and to select vendors. Case managers must satisfy minimum contact requirements for each client. These minimums are found on page 11 of the report and are also based on client needs. Case management services may be reimbursable from either MA or the waiver programs. Total case management revenues in 2003 were \$2 million. Of this amount, 80.5% was billed to waiver programs and 19.5% was billed to MA. A portion of the case management related to the MA clients is billed using the Avatar computer system. This system was partially implemented in October 2003 and has had billing problems. The Division is able to manually process the Long Term Care Division billings and does not anticipate significant loss of revenues. Collections on private pay client's bills, a small percentage of Division clients, may be affected due to the delays.

Schubert said case managers have a goal to bill 93 hours per month. Based on discussions with case managers, it appears the case managers are not billing all eligible time. If all case managers document and bill an additional ten hours per month, based on the work they are currently doing, the Division could collect up to \$311,000 in additional revenues. To ensure all revenues earned in the program are collected, the audit recommends that management implements procedures to increase the case management hours billed to the waiver programs and MA to more accurately reflect the current work efforts.

Schubert said an organized, up-to-date source of information would assist current employees to ensure they are preparing the proper documentation for their cases, disseminating best practice information, as well as assisting the training of new employees. The audit recommends that Division staff develop a resource guide to easily link staff with up-to-date information from DHFS as well as best practices for case management duties. The audit also recommends that in an effort to ease the administrative workload of the case managers, the Division considers eliminating the requirement of case managers coding their billable time into four categories because the state no longer requires it.

Next Schubert reviewed the statistical analysis/county comparisons in the audit. APS clients have the lowest average annual cost of the three divisions. Typically, persons served in the APS unit have their own resources and the county's role is to assist them in utilizing those resources in a manner to best meet their needs. If there are clients with high cost needs, the Division makes an effort to move them to waiver-funded programs to utilize federal and state funding and to alleviate the burden on local tax levy. The costs per client can fluctuate significantly from year-to-year based on current needs. A small group of young, high-cost clients could impact the amount of tax levy required in APS in future years.

Schubert said developmentally disabled clients have the highest average cost in the Division due to their disabilities. Most clients are served for an extended period of time. It is more expensive to maintain this population safely in the community. This program will expand significantly in 2005 due to the state's ICF-MR restructuring initiative, which is designed to move more developmentally disabled individuals from ICF-MRs into the community.

Esler asked is there uniformity between counties for determining who is on the wait lists and for how long? We seem to have more people seeking services who stay on the wait list longer compared to other counties? Maurer said once you are in the program, you are in the program for life. Schuler said the state set up better directions for determining eligibility. At one time people didn't want to put their names on the lists because they weren't being served. Bodien said the state has guidelines for each county to follow but he doesn't know if all counties follow the guidelines the same way we do.

Schubert said some people who come into the DD program are looking for residential treatment once they come of age. Dane County gives developmentally disabled people job training and then takes them off the waiting list. The people are then put on an internal list to get into residential treatment. In Waukesha County, we keep people on the wait list until all of their needs are met. We do what the state tells us to do but it is unknown what other counties do.

Schubert said the Wisconsin Partnership Program (WPP) is designed to improve health care for elderly and physically disabled individuals as well as provide services necessary to allow them to remain in the community. This program is currently operated in Milwaukee, Dane, Racine, and a combined program serving Dunn, Chippewa and Eau Claire Counties. These counties partner with a non-profit organization that operates like an HMO and allows them to serve more people and remove them from the waiting lists. Based on discussions with state WPP staff, they mentioned there maybe funding available to expand this program to other counties in 2006. The state representative for WPP said he is willing to work with Waukesha County to research this program further. The audit recommends that Division management revisit the WPP with the state and coordinate with WPP staff to investigate this program further. This could possibly expand the long-term care services provided to county residents, reduce the number of people and length of time on the program wait lists for services.

MOTION: Manke moved, Haukohl second, to accept the DHHS Long Term Care Division Audit and to refer it to the Health and Human Services Committee. Motion carried: 5-0.

Discuss and Consider the 2004 Annual Audit Plan

Schubert discussed the 2005 - 2007 Annual Audit Plan. Audit scopes for individual projects will be presented to the Executive Committee for approval prior to each audit. The scheduling of the Ice Arena and DHHS Contract/Consulting Services audits have been reversed in 2005 to better accommodate department activities. The change was made because DHHS staff are focusing their time on finalizing the AVATR program. This along with their daily tasks does not allow them time to work on an audit. Audits on the Vehicle/Equipment Replacement Fund, CDBG Division and golf courses inventory were added to the plan in 2007.

MOTION: Haukohl moved, Mitchell second, to approve the 2005-2007 annual Audit Plan. Motion carried: 5-0.

Discuss and Consider the Scope of Parks and Land Use Ice Arena Audit

MOTION: Manke moved, Kolb second, to approve the scope of the Parks and Land Use Ice Arena Audit.

Schubert said the scope of this audit will assess the efficiency and effectiveness of the operations of the Waukesha County ice arenas. The audit will provide comparisons to other similarly funded ice facilities in the area including operational procedures, financial information and marketing efforts.

Dwyer said he would like the audit to investigate available ice times at private arenas. Schubert said she will see what information she can find.

Motion carried: 5-0.

Discuss Possible Resolutions Concerning SB15, the Ethanol Bill, and Concerning the Freeway Reconstruction

Singert said in regards to freeway reconstruction, it is important the County Board not be silent. He disagrees with putting off reconstruction of the East West Freeway until 2016 and would like a resolution to come from

the County Board stating their disagreement. The East West Freeway serves the entire state which justifies moving this project up. The County Executive is in favor of reconsideration. The Governor's proposed budget has a \$50 million reduction in transportation funds. This is deplorable.

Krahn said there's nothing definite spelled out in the current budget. Mitchell said he is concerned that fighting in southeastern Wisconsin over this could drive the money to the northern part of the state.

Dwyer said the County Executive wants to delay the North South Freeway reconstruction and move up the East West reconstruction. Dwyer said Mr. Yunker of SEWRPC has indicated that plans could be ready in a timely fashion.

Singert said he wants transportation funds used to do an accelerated study of the area.

Dwyer said after the Marquette Interchange is completed, there are plans and designs for reconstruction of the Mitchell Interchange to the state line in 2009. There isn't any major reconstruction in that plan.

Haukohl said if the County Board doesn't get on the record stating concerns, the state will redirect the funding elsewhere. She does not object to the completion of the North South Freeway first but she doesn't want the Zoo Interchange to be put off.

Mitchell said a resolution could be drafted showing the Board's support of the Marquette Interchange work and keeping the East West segment in the plan.

Dwyer said we could put together a letter stating our concerns with the plan timelines. The letter could say that the Board would like to see state transportation dollars used to reconstruct the Zoo Interchange and lanes into Waukesha County and allow the work to be addressed within a shorter timeframe.

Singert said he wants the timeline accelerated for work on the East West Freeway. We have a responsibility to our citizens to stand up and be counted. He prefers a resolution be drafted rather than a letter.

Esler said it is hard to say if something is drafted what the committee is in support of. A technology committee put together a regional freeway plan that was adopted by seven counties including Waukesha County. The plan calls for \$6.3 billion in reconstruction. The Marquette Interchange is one-eighth of that plan. The committee could be supportive of the approved plan and its timetable. Businesses affected by lack of reconstruction at the Zoo Interchange will be louder and more effective and demanding at spreading the word than the County Board and political forces in the state. These are the businesses that will be affected if these changes don't come about. Why is Finley meeting at the Medical College to give a press conference today? He's doing it because it is important to get the Medical College and Wauwatosa involved. Whether or not the Racine/Kenosha County freeway reconstruction is completed is still in the air. The environmental assessment for that project is in place so money can be adopted for it in future budgets. The Zoo Interchange reconstruction couldn't be done in 2011 because it isn't humanly possible.

Dwyer said he is for drafting a letter to address this issue. The letter could ask to accelerate the planning phases of the program. Singert said he wants to see the environmental and engineering studies accelerated. Dwyer said we could draft a letter and have it mailed out by the end of the week whereas a resolution would take weeks to approve.

MOTION: Kolb moved, Manke second, to write a letter to Secretary Bussalacchi from the Executive Committee showing support of the reconstruction of the Marquette Interchange and showing concern for the timeliness of the plan to reconstruct the East West / Zoo Interchange.

Singert said he would like a resolution and the support of the County Board in opposition to SB 15/AB 15. Krahn said no local unit of government has registered opposition of the bill and WCA is neither for nor against it. This could be an economic development tool for many areas of Wisconsin and allow less reliance on foreign oil. There are concerns how the ethanol will affect older vehicles. Gunderson and Jeskewitz are on this bill.

Singert said there will be a higher rate of emissions in the summer if this bill is passed. On the reverse side, the ethanol does nothing in the reduction of NO. The auto industry has been improving emissions. The fleet is getting newer and newer and older autos are going away faster. SB15 is out of line because it is a mandate. When the state tells us what kind of gas to use, that's a mandate. In the governor's proposal he requested \$2 million from casinos and \$2 million from taxes to do a study on ethanol. This is over subsidized and wrong. We have the highest gas tax in the nation and are raiding the transportation fund. SB 15 will increase the cost of gas, be less efficient and not address emissions.

Esler said based on what is reported in the newspapers, this seems like a sound proposal.

MOTION: Haukohl moved, Kolb second, to approve a resolution opposing AB 15 and SB15. Motion carried: 5-0.

Legislative Update

Krahn distributed and briefly reviewed a handout titled, "State Budget Initiatives." The governor proposes levy limits in his budget plan. This will be a big issue. The governor's levy limit plan for cities will be regionally set while counties will be set on a county-by county basis with a sunset in December of 2006. His plan allows counties to enter into shared revenue agreements with municipalities and other counties.

Next Krahn distributed a handout titled, "2005 State Legislation" dated February 14, 2005. He told committee members to review the chart and see him if they have any questions.

Committee Reports by Committee Chairs for the Following Meetings

The committee did not review this item due to timing issues.

Motion to Adjourn

MOTION: Kolb moved, Mitchell second, to adjourn the meeting at 1 p.m. Motion carried: 5-0.

Respectfully submitted,

Walter Kolb
Secretary